



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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August 30, 1994

Mr. Alan Wilson
Senior Reclamation Engineer
Hecla Mining Company
6500 Mineral Drive
Box C-8000
Coeur D'Alene, Idaho 83814-1931

Re: Revised Reclamation Surety Estimate, Hecla Mining Company, Escalante Silver Mine,
M/021/004, Iron County, Utah

Dear Mr. Wilson:

The Division has completed its assessment of your supplemental reclamation bonding information and has recalculated the required reclamation surety estimate for those remaining facilities at the Escalante Silver Mine. Enclosed with this letter is a copy of our revised reclamation surety estimate (\$389,300 - 1999 dollars) which includes projected reclamation costs for the remaining facilities associated with the mine & mill site areas, as well as the final work for the tailings impoundment.

A copy of this estimate was telefaxed to Mr. Gary Gamble of your office on August 18, 1994. Mr. Travis Jones subsequently spoke with Mr. Gamble about making arrangements for revising the reclamation surety amount. Mr. Gamble indicated he would contact your surety company about the issuance of a "rider" to the existing surety bond, effectively reducing the \$771,000 amount to \$389,300. If your surety company cannot issue a "rider", then a new surety bond form will need to be completed and returned to this office.

We have revised page 2 of 9 of the March 24, 1994, Reclamation Contract (FORM MR-RC) to reflect the change in the amount of required surety (\$389,300). Because this is an insignificant change to the form, the existing corporate signatures should be adequate and not need to be obtained again. Please obtain and return the surety bond "rider" as soon as possible. Upon our receipt of this information, we will be able to seek formal Board concurrence/approval of the revised amount and form of reclamation surety and then formally release your two (2) Certificate of Deposits.

Page 2
Mr. Alan Wilson
M/021/004
August 30, 1994

The next scheduled Board Hearing is September 28, 1994. If possible, we would like to take this matter before the Board at that time. Board briefing packages are scheduled to be mailed out by September 9, 1994. Thank you for your continued patience and cooperation. Please let us know if there is anything we can do to assist you in finalizing this permitting action.

Sincerely,

A handwritten signature in cursive script, reading "D. Wayne Hedberg".

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Enclosures
cc: Don Ostler, DWQ
Arthur Tait, BLM, Beaver RA
Lowell Braxton, DOGM
M021004.rvb

RECLAMATION ESTIMATE-REDUCTION FOR WORK NOW COMPLETED

DRAFT

Hecla Mining Company

ALSO SEE NOTEBOOKS A,C & D

Escalante Silver Mine - Mill Tailings Facility

last revision 06/17/94

M/021/004 Iron County, Utah

filename M21-04R2.WQ1

Prepared by Utah State Division of Oil, Gas & Mining

NOTEBOOK 'B'

Reclamation Details & Comments regarding work completed

-Estimate for reclamation of facilities areas has been revised on Notebook 'C'

-Revised tailings cover: 10" capillary, 18" subsoil, 6" topsoil (65 acres)---COMPLETED

-Manure incorporated into tailings subsoil & topsoil caps (2-3,000 lb/acre)---COMPLETED

-Road to tailings reduced via ripping & seeding(5,800' x 12' = 1.6 acre)

-Impoundment runoff ditch constructed around tailings cap (7,200')---COMPLETED

-Subsoil borrow areas regraded & ripped (HECLA ESTIMATE 31 acres)---COMPLETED

-Surface layer of tailings to be compacted (ASSUME with a dozer)---COMPLETED

-Rip topsoil stockpile area & drill seed (9 acre ESTIMATE)---RIPPING COMPLETED?

-Monitor groundwater wells for 4 years after reclamation (quarterly)

-Fence maintenance 3 years (7,900 + ~ 10,000 LF, quarterly)

-Areas revegetated via drill seeding unless impractical (= > hand seeding)

-Disturbed acreage = office+tailings+borrow+roads+stockpile= 108

Description	Amount	\$/Unit	Cost-\$	
Facilities demolition/removal	DOGM EST.	0	267,071	NOTEBOOK 'C'
Tailings surface compaction(0.6 MPH)	65 acre	407	0	COMPLETED
Waste rock capillary barrier 10"	87,389 CY	2.46	0	COMPLETED
Tailings subsoil cap 18"	157,300 CY	1.51	0	COMPLETED
Tailings topsoil cap 6"	52,433 CY	1.55	0	COMPLETED
Disc manure into tailings soils	65 acre	250	0	COMPLETED
Ripping tailings road (0.40 mph)	1.6 acre	603	965	
Runoff ditch construction	7,200 ft	0.32	0	COMPLETED
Ripping borrow areas (0.60 mph)	31 acre	407	0	COMPLETED
Rip topsoil stockpile area	9.0 acre	407	0	COMPLETED?
Reseed all disturbed areas	108 acre	290	31,320	
Monitor groundwater (quarterly)	4 yr	1,200	4,800	
Fencing-borrow areas(LF estimated)	10,000 LF	1.00	10,000	
Mobilization	5 units	1,000	5,000	
Fence maintenance (quarterly)	3 yr	400	1,200	
SUBTOTAL			320,356	
+ 10% CONTINGENCY			32,036	
SUBTOTAL			352,391	
+5yr ESCAL (2.01%)			36,868	
UPDATED TOTAL			389,259	
ROUNDED TOTAL 1999-\$			\$389,300	

AMOUNT OF SURETY BOND	\$771,000
AMOUNT OF CURRENT FORMS OF SURETY (2 CDs)	\$181,500
TOTAL AMOUNT OF SURETY CURRENTLY POSTED	\$952,500
LESS REVISED RECLAMATION ESTIMATE	\$389,300
BONDING "SURPLUS" =	\$563,200

ALSO SEE NOTEBOOKS A, B & D

filename M21-04R2.WQ2

NOTEBOOK 'C'

1. *Journal of the American Medical Association*, 1997; 277: 103-107.

tures/facilities

equipment

...and the

7/7/94

in brackets [dimension]

1

Information

UNIT	UNIT
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[illegible]

RECLAMATION ESTIMATE

Hecla Mining Company
Escalante Silver Mine - Mill Tailings Facility
M/021/004 Iron County, Utah

ALSO SEE NOTEBOOKS B,C & D

last revision 08/17/94

filename M21-04R2.WQ2

NOTEBOOK "A"

Prepared by Utah State Division of Oil, Gas & Mining

Reclamation Details - THIS IS THE ESTIMATE OF 02/01/94

- All structures and equipment to be removed from the office site (1.5 acre EST)
- Revised tailings cover: 10" capillary, 18" subsoil, 6" topsoil (65 acres)**
- Hay incorporated into tailings subsoil & topsoil caps (2-3,000 lb/acre)
- Road to tailings reduced via ripping & seeding(5,800' x 12' = 1.6 acre)
- Impoundment runoff ditch constructed around tailings cap (7,200')
- Subsoil borrow areas ripped, topsoiled & seeded (HECLA ESTIMATE 31 acres)**
- Surface layer of tailings to be compacted (ASSUME with a dozer)
- Rip topsoil stockpile area & drill seed (9 acre ESTIMATE)
- Monitor groundwater wells for 4 years after reclamation (quarterly)
- Fence maintenance 3 years (7,900 + ~ 10,000 LF, quarterly)
- Areas revegetated via drill seeding unless impractical (= > hand seeding)
- Disturbed acreage = office+tailings+borrow+roads+stockpile= **108**

Description	Amount	\$/Unit	Cost-\$
Structure demolition/removal	sum-ASSUMED	5,000	5,000
Compaction of tailings surface(0.60 MPH)	65 acre	407	26,455
Waste rock capillary barrier 10" *	87,389 CY	2.46	214,977
Tailings subsoil cap 18" *	157,300 CY	1.51	237,523
Tailings topsoil cap 6" *	52,433 CY	1.55	81,272
Disc hay into tailings soils *	65 acre	250	16,250
Ripping tailings road (0.40 mph) **	1.6 acre	603	965
Runoff ditch construction **	7,200 ft	0.32	2,304
Ripping borrow areas (0.60 mph) **	31 acre	407	12,617
Rip topsoil stockpile area**	9.0 acre	407	3,663
Reseed all disturbed areas	108 acre	290	31,320
Monitor groundwater (quarterly)	4 yr	1,200	4,800
Fencing-borrow areas(LF estimated)	10,000 LF	1.00	10,000
Mobilization	5 units	1,000	5,000
Fence maintenance (quarterly)	3 yr	400	1,200
SUBTOTAL			653,345
+ 10% CONTINGENCY			65,335
SUBTOTAL			718,680
+5yr ESCAL (1.42%)			52,496
TOTAL			771,176
ROUNDED TOTAL IN 1999-			\$771,000
Average cost per acre =			7,139 \$/acre

* Phase I Surety Reduction

** Phase II Surety Reduction